

## Message Text

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PAGE 01 NEW DE 12666 280431Z

13  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W  
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R 271302Z AUG 76  
FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 7997

C O N F I D E N T I A L NEW DELHI 12666

STADIS//////////

FOR NEA/KINS

E.O. 11652: GDS  
TAGSC BTIO, IN  
SUBJECT: POTENTIAL SALE OF U.S. AIRCRAFT TO INDIA

1. K.L. JALAN, MANAGING DIRECTOR, MARUTI HEAVY VEHICLES (P) LTD., HAS REQUESTED EMBASSY ASSISTANCE IN ARRANGING A MEETING WITH THE PRESIDENT OR HIGH LEVEL OFFICIAL OF CESSNA AIRCRAFT TO DISCUSS THE SALE OF CESSNA AIRCRAFT IN INDIA. JALAN ASSURED EMBOFF DURING HI VISIT TO THE MARUTI FACTORY THAT HIS FIRM HAS AN IMMEDIATE SALE FOR TWO AIRCRAFT WITH A VERY PROMISING OUTLOOK FOR 20 MORE UNITS BY FISCAL YEAR-END, MARCH 1977. HE REQUESTS THAT CESSNA'S OFFICIAL MAKE A SPECIAL TRIP TO INDIA WITHIN THE NEXT 10 DAYS TO DISCUSS FINANCIAL DETAILS. JALAN POINTS OUT THAT CESSNA'S PRESENT AGENT IN INDIA, MR. KHAON GATA, IN BOMBAY HAS SOLD OMRY ONE AIRCRAFT IN THE PAST 10 YEARS. HE SAID THE AGENT RECENTLY LOST THE SALE OF TWO AIRCRAFT BECAUSE HE WAS UNABLE TO RESOLVE SOME PROBLEMS, WHICH HE DID NOT SPECIFY, WITH GOI.

2. COMMENT: ACCORDING TO JALAN, MARUTI HEAVY VEHICLES LTD. IS OWNED BY SANJAY GANDHI (SON OF PRIME MINISTER), SONIA GANDHI (SANJAY'S SISTER-IN-LAW) AND J.K. JALAN. HE SAID THAT AMONG OTHERS THE FIRM CURRENTLY REPRESENTS INTERNATIONAL HARVESTER AND SUBSIDIARIES OF ITT BASED IN ITALY, SWEDEN AND WEST GERMANY (STANDARD ELECTRIC) AND AT  
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LEST TWO WEST GERMANY COMPANIES. (EMBASSY HAS ALSO HEARD

UNCONFIRMED RUMORS THAT MARUTI ALSO REPRESENTS BAC.)  
SET UP ORIGINALLY BY SANJAY TO MANUFACTURE THE MARUTI CAR  
DESIGNED BY HIM, THE COMPANY HAS YET TO START COMMERCIAL  
PRODUCTION OF THIS VEHICLE. TO DATE 40 PROTOTYPE VEHICLES  
HAVE BEEN PRODUCED. THE FIRM ALSO ASSEMBLES BUSES FROM THE  
CHASSIS ON UP WITH PRODUCTION TO REACH ABOUT 1200  
IN 1976/77 ACCORDING TO JALAN. THE FIRM ALSO ASSEMBLES AS  
WELL AS MANUFACTURES ROAD ROLLERS AT THE RATE OF ABOUT 10  
UNITS PER MONTH, EXCLUDING ENGINE.

3. THE PLANT IS LOCATED ABOUT 10 KMS. SOUTH/SOUTHWEST OF  
THE DELHI INTERNATIONAL AIRPORT ON A 300 ACRE TRACT. THE  
ACTUAL BUILT-UP AREA AMOUNTS TO ABOUT 1.1 MILLION SQUARE  
FEET. EMPLOYEES NUMBER ABOUT 1700 WITH ONE PART OF THE  
FACTORY OPERATING ON A SINGLE SHIFT AND ANOTHER PART ON A  
DOUBLE SHIFT BASIS. JALAN PLACED THE CAPITALIZATION BETWEEN  
RS. 5 TO 6 MILLION.

4. ACTION REQUESTED: EMBASSY SUGGESTS CESSNA BE INFORMED  
IMMEDIATELY ON SALES OPPORTUNITY AS PROMISED BY EMBOFF,  
BUT THAT COMPANY BE BRIEFED ON BACKGROUND OF MARUTI AND  
IMPLICATIONS OF ANY ASSOCIATION WITH COMPANY. EMBASSY WISHES  
TO BE KEPT INFORMED OF ACTION TAKEN AND IF CESSNA SHOULD RESPOND  
BY SENDING REP, WE SUGGEST HE BE ASKED TO VISIT EMBASSY COM-  
MERCIAL SECTION.

5. THE DEPARTMENT MAY WISH TO GIVE THIS TELEGRAM WIDER DISTRIBUTION.  
SAXBE

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, AIRCRAFT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 AUG 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** vogelfj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976NEWDE12666  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760328-0751  
**From:** NEW DELHI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760812/aaaaakdm.tel  
**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** vogelfj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 09 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <09 JUN 2004 by buchant0>; APPROVED <07 OCT 2004 by vogelfj>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POTENTIAL SALE OF U.S. AIRCRAFT TO INDIA  
**TAGS:** BTIO, EAIR, US, IN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006